



The Olympics: Economic Opportunity or Russian Roulette?

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From the editor

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Federal Accountability Report Card Is In

B That's the letter grade your CTF assigns the new Conservative government's accountability package introduced into Parliament this spring.

In the last issue of *The Taxpayer* we detailed a "60 Point Accountability Report Card" that combines 54 points from the Conservative Party's platform with 6 points from Judge Gomery's final recommendations stemming from the Sponsorship scandal.

Our tally: 41/60. That's 68%. Which, given the rather low level of expectations we have for our governments these days, the number should be cause for celebration.

For the most part, Bill C-2, the *Federal Accountability Act*, will change the culture in Ottawa. The rules surrounding political party donations, lobbying, appointments, government contracts and advertising are now subject to clear rules and greater transparency.

Meaningful protection for whistleblowers is now in place.

The power and scope of the Auditor General and Comptroller General is enhanced. Taxpayers can breathe easier knowing that their dollars are subject to scrutiny and penalties will apply to those who abuse them.

So why not a higher mark?

Well, for starters, 5 of the 6

“Overall, the Federal Accountability Act is a step forward ... yet it never fails to surprise how 'rules' of accountability never fully escape the grasp of their authors: the very people to which the rules apply.”

recommendations of Judge Gomery's not covered in the Conservative's platform were not acted upon. Worse, the Act was stripped of — arguably — its most fundamental element: Access to Information (ATI) reforms.

ATI is the taxpayers' best defense against abuse of tax dollars and secretive government. The Conservative's cam-

paigned on expanding the scope of ATI to cover *all* agencies that receive and spend taxpayers' money and mandate full disclosure on documents surrounding how government decisions were made.

Many other commitments are watered down, weakened, or worse, remain solely in the

hands of cabinet. For example, the promise of a Procurement Officer and Public Appointment Commission is at the discretion of cabinet; it is not required. Similarly, the Act grants the cabinet power to dismiss the Parliamentary Budget Authority at any time, for any reason.

Politicians' control remains in other important areas too. Former ministers, ministerial staffers and senior public servants are prohibited from lobbying government for a period of five years *but* only if they are put on a list by a cabinet minister! Similarly, the Act empowers ordinary taxpayers to make complaints to the Ethics Commissioner *but* only if they do so through a Member of Parliament.

Overall, the *Federal Accountability Act* is a step forward. It brings into place laws and mechanisms that were not there before. It meets much of what the Tories campaigned on. It provides an accountability framework on which to build and improve. Yet it never fails to surprise how "rules" of accountability never fully escape the grasp of their authors: the very people to which the rules apply.

The Canadian Taxpayers Federation is a federally incorporated non-profit and non-partisan organization dedicated to lower taxes, less waste and accountable government. Founded in 1990, the Federation is independent of all partisan or institutional affiliations and is entirely funded by free-will,



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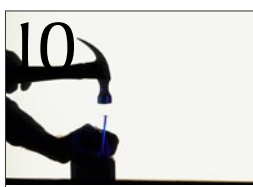
Waste Watch

Canadian dollars battle Quebec separatists in China.



BC: Olympics

It's up, up and away with your tax dollars.



A New Beginning or Liberal Life

The first Conservative budget in 13 years delivers mixed message.



AB: Transparency Takes a Nose Dive

Under the guise of protecting privacy, Bill 20 ushers in a new era of government secrecy.



Kyoto: A Sham from the Start

Seeking made-in-Canada solutions for greenhouse gas emissions makes sense.



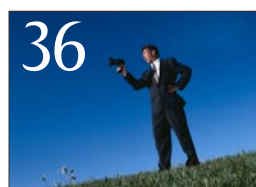
SK: Why Business Subsidies are a Bad Idea

Taxpayers and businesses lose in handout game.



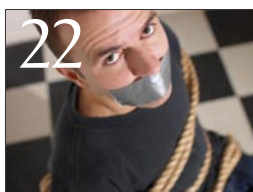
Are Governments Above the Law?

The Supreme Court must determine if government can keep "illegal" tax revenue.



MB: Can You Feel it?

Taxpayers cough up \$1.9-million for two propaganda campaigns.



Free at Last

Tax Freedom Day arrives earlier in 2006, but last year, all levels of government overtaxed Canadians by \$25 billion.



ON: Ontario Budget: Swimming in Tax Dollars

Tax revenues up 32% under McGuinty Liberals.

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British Columbia: #514-1207 Douglas Street., Victoria, British Columbia V8W 2E7 PH: (250) 388-3660

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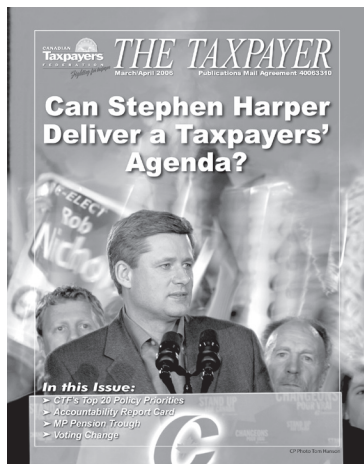
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Top 20 Priorities for the Harper Government

We like the 20 priorities for the new government. It would be good to implement them as soon as possible. So many Canadians are ill-informed as to how our country was really run in Ottawa. Power has been abused for too long! So have taxpayers!

I also support Tanis Fiss' recommendations of treating Indians equally as fellow Canadians. To start with, they should be given deeds to their homes and lots.

Keep up the good work!
Gerry Hassell
Surrey, BC

Thank-you for your 20 Priorities. But why should all families with young children receive daycare money? Those who don't need it should pay out of their own pockets. To give money for those who do not need it is wasted money.

I find the CTF *extremely* important – every Canadian should join!

Mrs. Verena Catikkas
Regina, Saskatchewan

More advice for the New Government

Thanks for your tireless efforts to demand accountability at all levels of government.

First, we need a reduction of our enormously intrusive federal government duplicating provincial responsibilities and functions, and thereby adding layer upon layer of unnecessary bureaucracy. Second, safety "nets" are fine for those that really need them because of illness or misfortune but "hammocks" are not! Finally, lowering taxes and simplifying the tax code would have a salubrious effect on innovation and real job creation.

Harper needs to follow through on what he said

he would do and get this country moving again!

Michael Newhouse, MD
Hamilton, Ontario

With respect to Mr. Harper's promise to reduce the GST, I would like to see an extra bonus for all Canadian consumers by totally removing the GST off postage stamps and Canada Post services and also taken off students' text books, even if that means pushing back the timetable to implement the second one point PST reduction by a further year.

Keep up the excellent work you do on behalf of all Canadians.

Bob Tarplett
West Vancouver, BC

Time for an elected Senate

Government in Canada has too few checks and balances. The PMO has vastly too much power. When we finally get something positive put in place, the next government simply reverses it. Hence, I believe the structure of our government must change away from its current "elected dictatorship" that changes policies at whim to one with some meaningful checks. I would like to see an elected Senate or something that places some control on the PMO. Keep up the good work. At times I feel

Letters-to-the-editor

Letters may be edited for length, content and clarity.

Send your letters to:

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you [the CTF] are our only hope.

Jared and Margaret
McClelland
Carlisle, Ontario

CTF gets my Ralphbucks

Sending tax dollars back to taxpayers in a manner that skims over \$10-million in administration costs is just plain stupid. If you want to give money back to taxpayers, then don't take it from them in the first place. I am forwarding my Resource Rebate cheque to the Canadian Taxpayers Federation as you continue to be the only voice of reason on government spending issues.

L. Champagne
Calgary, Alberta

Words are Weapons ..

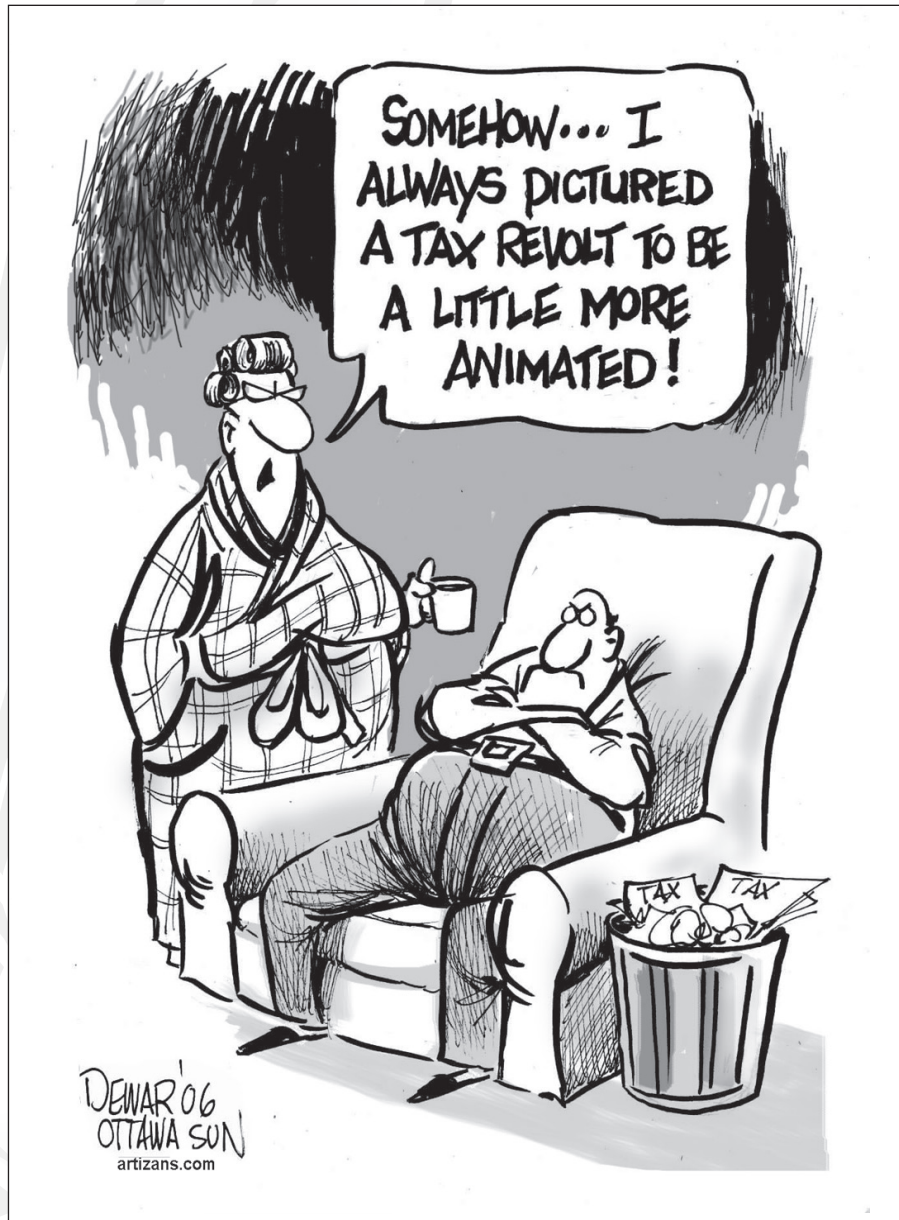
The CTF should adopt a policy of refusing to reprint any government statement where the word "revenue" appears, or at the very least start a practice of adding a disclaimer that indicates the replacement of the word "re-

nue" with the word (or appropriate word-form of) "tax."

I have observed that all levels of government have, for years, been shifting emphasis by abusing the language. They refer to taxes as revenues, fees, etc., and I think this is allowing them to shape

public response. I certainly know that if they were forced to say "taxes" instead of the soft-term, "revenues," the ire of the public would increase greatly. No money any government has is "revenue." At best it is tax revenue, and in truth it is just tax.

Frank Buchan
Sudbury, Ontario



Waste Watch

Subsidizing Quebec sovereigntists

With financial help from the Quebec and federal governments, a pro-independence group produced a workbook entitled *Let's Talk About Sovereignty at School*. The workbook is intended for kindergarten to college level teachers to use to promote sovereignty among Quebec students.

The workbook was produced by the Council for Quebec Sovereignty (CQS). CQS was initially set up in 1995 in the run up to the Quebec Referendum. After the referendum, it remained dormant until 2002 when the PQ revitalized it by providing the organization with charitable status and a \$250,000 donation. CQS also received financial help from the Bloc and both separatist parties have members sitting on CQS's board.

At the front of the 142 page book, the publishers, *Les Intouchables*, thank both the Canadian Arts Council and Ottawa's Book Publishing Industry Development Program for their financial assistance.

The book provides a series of lessons that serve as propaganda for the sovereigntist cause. One of the lessons geared towards college level students looks at the history of the Sponsorship program. It's ironic how a program set up by the Chretien Liberals to promote federalism in Quebec is now used to promote sovereignty.

Other lessons include an activity for kindergarten, where students make decorations for Quebec's National Holiday held June 24. The activity is illustrated by a child's drawing of a Quebec flag on a pole with a torn Canadian flag beneath it.

High School stu-

dents have a variety of different activities and one features a song entitled "Canada is not my country."

With files from the *National Post / Globe and Mail*

Fox guards henhouse

He was supposed to be protecting Saskatchewan tax dollars, but instead a manager monitoring expense claims at SaskPower (a provincial crown corporation) was accused of stealing \$100,000. After further investigation, he was eventually fired.

Over the past three years, the Saskatchewan government has been reeling from numerous reports of government employees walking off with tax dollars. One study states that 43 government employees have stolen almost \$2 million during this period. This includes an Environment employee accused of stealing \$513,000.

The government has been accused of lax auditing procedures for years and, unfortunately, these figures represent just the employees that have been caught.

With files from the *Regina LeaderPost*

One last bash

Despite being summarily fired by the electorate on January 23rd, former Deputy Prime Minister Anne McLellan held one last big bash before she left — at taxpayers' expense of course.

Less than two weeks after her firing, McLellan held a party at Ottawa's exclusive Rideau Club. The bash which involved a dozen of her workers cost taxpayers \$1,265. Yes, that works out to over a hundred dollars a piece.

Not to be outdone, former Liberal Public Works minister Scott Brison held a party for 17 employees at the "swanky Ital-



The drinks were on you

Waste Watch

ian eatery Mama Theresa” which cost taxpayers \$939.

With files from the *Edmonton Sun*

Red Green now official supplier?

After spending \$1.4 billion, the Department of National Defence thought it had the Cadillac version of a communications system. In 1985, DND set out to replace its Vietnam-era field radio system with what became known as the Tactical Command & Control Communications System (TCCCS). This was finally completed in 2002.

However, TCCCS doesn't quite work to billing, particularly in combat situations such as the foothills of Kandahar in Afghanistan. According to reports, the range of the TCCCS — which was supposed to help troops keep contact with home base — is at times so poor, that our troops can't communicate with people in their own convoy.

In addition, army personnel encountered numerous reliability problems with the system that doesn't get along well with the dust and rough backroads of Afghanistan. One military official stated that it works great “as long as it's kept on a nice clean table in Canada and you're not moving.”

Because of the problems, DND was forced to buy satellite radios similar to those used by the US army and other NATO forces. The radio has unlimited range and only cost taxpayers \$9 million, plus a few dollars for duct tape.

It seems when it came to setting up the

necessary satellite dishes on vehicles, little forthought was given on how to do this. Our armed forces resorted to using duct tape to keep the dishes in place. Yes, it seems the Red Green show is now an official supplier of ideas to the Canadian military.

With files from the *National Post*

Chauffeurs get elevator

The Federal Court and Supreme Court of Canada used to share the same building. But that all changed in 2003 when the Supreme Court forced the Federal Court to look for new digs. They ended up in a new high rise office building located three blocks down the road.

In the old facility, the 13 chauffeurs for the Federal judges enjoyed a certain level of comfort. The new facility apparently was not up to snuff for the chauffeurs and the court officials required a number renovations to help the chauffeurs fit in.

According to documents received under Access to Information, the chauffeur related upgrades cost taxpayers \$185,000. These included:

- A private elevator, so the chauffeurs would not have to share the elevator with the other tenants in the building;
- Kitchen facility, lockers and phone lines; and
- Private washrooms — despite the fact there was a toilet in the building only a few feet from the chauffeurs' offices. According to documents, court officials became quite irritated when it was suggested the chauffeurs could use the washrooms already available on the floor.

Thousands of dollars were also spent moving car washing equipment over to the new building. Apparently, the chauffeurs wash the judges' cars four times a day. However, this new washing facility was closed down two years later to make room for more parking space.

With files from the *Canadian Press*



So, who is watching the foxes?

Waste Watch

More holidays for bureaucrats

When Ottawa legalized gay marriage in 2005, federal government employees were awarded five additional holiday days.

How you ask? Well, prior to the legalization of gay marriage, Ottawa provided its employees with a five day paid holiday everytime they got married. This was above and beyond their generous holiday leave. Over the past 13 years, an average of 2,600 federal employees utilized this paid leave provision each year.

However, since this paid leave was only granted to marriages between men and women, it was a burr in the sides of common law and gay couples. This led to a number of human rights complaints and even law suits against the federal government.

The solution: every federal employee would be eligible for a one-time five-day leave. Moreover, it was decided that employees could take the five days even if they had already used it.

Based on an average salary of \$51,000, the CTF calculates this additional holiday time will cost taxpayers upwards to \$250 million. Translated, this means if the feds didn't give the holiday at all they could reduce the size of the federal bureaucracy by that amount and still get the same amount of work done.

With files from the *National Post*

Pirates of the Atlantic

Marine Atlantic (MA) is a federal Crown corporation that provides a ferry link between Newfoundland and the mainland. But taxpayers know it better as Pirates of the Atlantic.

An Access to Information request by the Halifax-based *Chronicle Herald* uncov-

ered a litany of abuses in the expense claims of senior pirates ... err executives of Marine Atlantic. Findings include trips around the world to swanky resorts, meals at some of the best restaurants in Atlantic Canada and golf on some of the finest courses — all at taxpayers' expense.

In October 2005, the chairman of the board (former Nova Scotia Liberal Leader Vince MacLean) and three executives attended an international ferry conference in Athens. They booked into the luxurious Astir Palace Resort. By the time they were done they had set taxpayers back \$18,850. The conference was justified as a research trip.

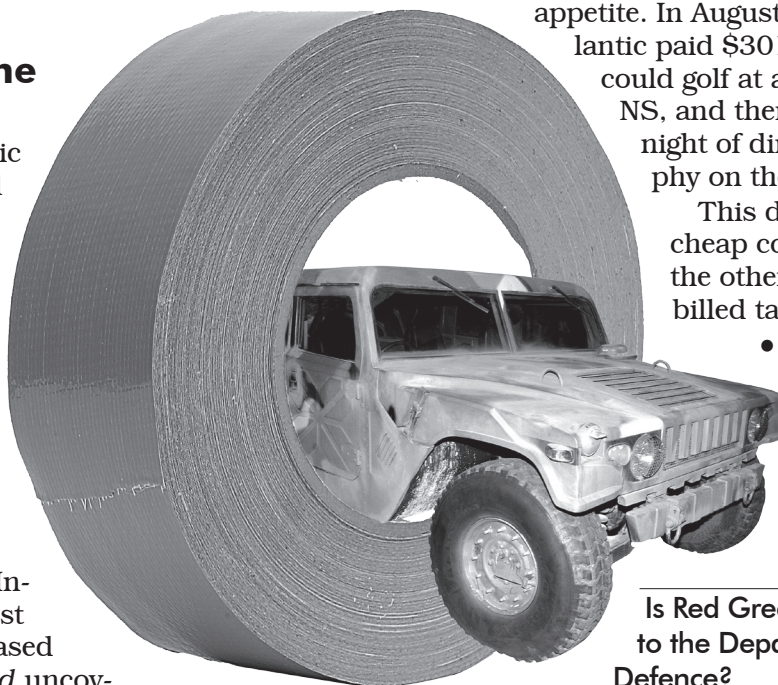
A similar conference in the Bahamas in November 2004 was attended by three executives. They stayed at the luxurious Sheraton Beach and Golf Resort. In addition to their other expenses, they played a round of golf which cost taxpayers \$464.

Aside from the overseas golf trips, Marine Atlantic picked up the tab for golfing on some of the elite courses in Atlantic Canada including Brudenell River and Mill River Resorts in PEI, Oakfield and Highland Links courses in Nova Scotia. MA even picked up the tab for golfing in Whistler, BC!

Of course, a round of golf always whets the appetite. In August 2004, Marine Atlantic paid \$301 so three executives could golf at a course in Oakfield, NS, and then paid \$229 for a night of dining at Halifax's Murphy on the Water.

This dinner, however, was cheap compared to some of the other meals executives billed taxpayers:

- A dinner at Mescales in Membertou NS in March 2005, cost taxpayers \$1,120.
- \$1,038.76 was



Is Red Green an official supplier to the Department of National Defence?

Waste Watch

spent on dinner at Hungry Fishermen in St. John's in December 2003.

- A dinner at Java Jacks in Rocky Harbour, Newfoundland in May 2004 cost taxpayers \$1,237.
- \$1,314 was spent at Casbah in St. John's in December 2004.
- A \$476 bill to supply liquor for a board meeting in Newfoundland, when the restaurant they used didn't sell liquor.

MA also paid the expenses for spouses. The MA board holds meetings four times a year and once a year allows wives to attend at taxpayers' expense.

For example, the wife of Operations director John Lochhead billed taxpayers \$1,566.78 to fly from Sydney to St. John's and also joined her husband for unrelated meetings in Kingston, Ontario. She tagged along because there was a spousal program.

The two further billed taxpayers for other miscellaneous expenses including \$138 in kennel charges!

CTF federal director John

Williamson in an interview with the *Chronicle Herald* stated that these expense claims reveal why it is so important for the Conservative government to pass its *Accountability Act*.

"It's a truism that sunshine is the best deterrent," he said. "When politicians and bureaucrats think nobody's watching, they fleece taxpayers."

With files from *The Chronicle Herald*.

How government works

Once upon a time the government had a vast scrap yard in the middle of a desert.

Parliament said, "someone may steal from it at night," so they created a night watchman position and hired a person for the job.

Then Parliament said, "How does the watchman do his job without instruction?" So they created a planning department and hired two people, one person to write the instructions, and one person to write the schedule.

Then Parliament said, "How will we know the night watchman is doing the tasks correctly?" So they created a Quality Control Department and hired three people. One to create the quality control measures, one to write the reports, and one to measure performance.

Then Parliament said, "How are these people going to get paid?" So they created a payroll department and hired four people: a time keeper, a payroll officer, a payroll clerk, and a chequebook administrator.

Then Parliament said, "Who will be accountable for all of these people?" So they created an administrative section and hired five people: an administrative officer, assistant administrative officer, secretary, an accountant, and an auditor.

Then Parliament said, "We have had this scrapyards in operation for only one year and we are already \$750,000 over budget, we must cutback overall cost."

So they laid off the night watchman.



Source unknown

The Olympics: Economic Opportunity or Russian Roulette?

Consider the Olympics as a 'brand' just like Coca-Cola or Kleenex. The logo for the Games — the famous five rings — are registered trademarks just like Nike's swoosh. The target audience for the Olympics: nations, cities and governments. The value of the Olympic brand increases each year as countries vie for a chance to capture international fame, display opulent patriotism and indulge in boundless vanity. It's quite brilliant and unfortunately for taxpayers, devastatingly effective.

The brand is aggressively protected by the International Olympic Commit-

tee (IOC). The IOC determines who gets to host the Games and mandates the winner to sign a blank cheque for cost overruns or revenue shortfalls.

The IOC requires bid cities submit proposed budgets in current day US dollars.

Budgets are put together 8 to 10 years in advance of the Games, virtually guaranteeing substantial miscalculation.

The IOC also determines how much of the sponsorships, broadcasting and licensing fees will go to the host city and has the power to reduce the amount right up until the year before the Games. Olympic budgets are mere guesstimates at the best of times and at worst, shots in the dark. The IOC is the omnipotent keeper of the "Olympic"



**by Sara
MacIntyre**

British Columbia Director



brand; it sets all the rules, accepts no risks and literally has the world at its feet. Brilliant!

The Games: A Luge of Financial Risk

The Olympics have a long and proud tradition. But there is an equally long and embarrassing list of Olympic-sized financial disasters. It wasn't surprising then that British Columbia taxpayers greeted the news that Vancouver won the bid to host the 2010 Winter Olympics with some trepidation.

Legacy conscious politicians at all levels of government have made promises trying to assuage the well-founded fears of taxpayers. British Columbia's Premier Gordon Campbell is estimating the Olympics will generate over \$10 billion in economic activity and an incredible \$8.4 billion in total Gross Domestic Product (GDP).

With such astonishing economic benefits for a sixteen day event, one might wonder why tax dollars are needed at all? Why isn't the private sector jumping on board? Besides the incalculable risks of Olympic capital construction, inflation, security and IOC specifications, the biggest reasons private investors balk at such an "opportunity" is the history of Olympic-sized financial risks!

Promises, Promises ...

British Columbians are on the hook for any and all cost overruns as well as unexpect-



“Olympic budget promises are cold comfort for taxpayers who remember the infamous quip made by Montreal Mayor Drapeau for the 1976 Olympics, ‘The Games could no more have a deficit than a man could have a baby.’ Montreal’s Olympic Stadium, affectionately known as the ‘Big Owe’ was finally paid off this year, fully three decades after the Games and with a \$2 billion price tag.”

ed revenue shortfalls for the 2010 Games. Olympic organizers have promised, “Every penny will be accounted for,” and Vancouver’s mayor vowed that hosting the Games won’t cost Vancouver taxpayers “one cent.” Premier Campbell has promised, “At the end of the day, [the Olympics aren’t] going to cost. At the end of the day, it’s going to generate revenues into the province.”

Past Olympic Bombs

Olympic budget promises are cold comfort for taxpayers who remember the infamous quip made by Montreal Mayor Drapeau for the 1976 Olympics, “The Games could no more have a deficit than a man could have a baby.” Montreal’s Olympic Stadium, affectionately known as the “Big Owe” was finally paid off this year, fully three decades after the Games and with a \$2 billion price tag.

Greek taxpayers were promised a 21st century economy and a powerhouse of benefits for hosting the 2004 Summer Games in Athens. Instead, taxpayers were left with a ten-year financial hangover, a down-

grade from the EU and massive cuts to government spending. In the end, the Athens Olympic budget doubled from \$7.3 billion to \$15.8 billion. Ouch!!

2010 Winter Olympics: Who Pays and How Much?

Reported costs for the 2010 Winter Olym-



!pics vary wildly, ranging from \$660 million to \$6 billion. In truth, taxpayers may never know how much they are paying for the Games. To date, the province has committed to provide: \$255 million for the capital costs of sport and event venues, \$55 million for a legacy endowment fund, \$175 million in security costs, \$13-million for medical costs, \$600-million for upgrades to the Sea-to-Sky Highway, \$14 million for the Callaghan Valley Road and a \$139 million contingency fund. Together provincial taxpayers will be billed at least \$1.251 billion *before* inflation and borrowing costs.

The federal government's contribution of \$497 million will provide "coordination and operating costs for the Paralympic Winter Games, a First Nations Secretariat, and a contribution of \$310 million in funding towards infrastructure and legacies."

Both the federal and provincial governments fail to include a number of major capital projects such as the Vancouver Convention and Exhibition Centre's \$600 million ex-

pansion. The Convention Centre is a cost-shared project between the federal government (\$202.5 million) and the province (\$252 million). The expansion will house the media during the Olympics.

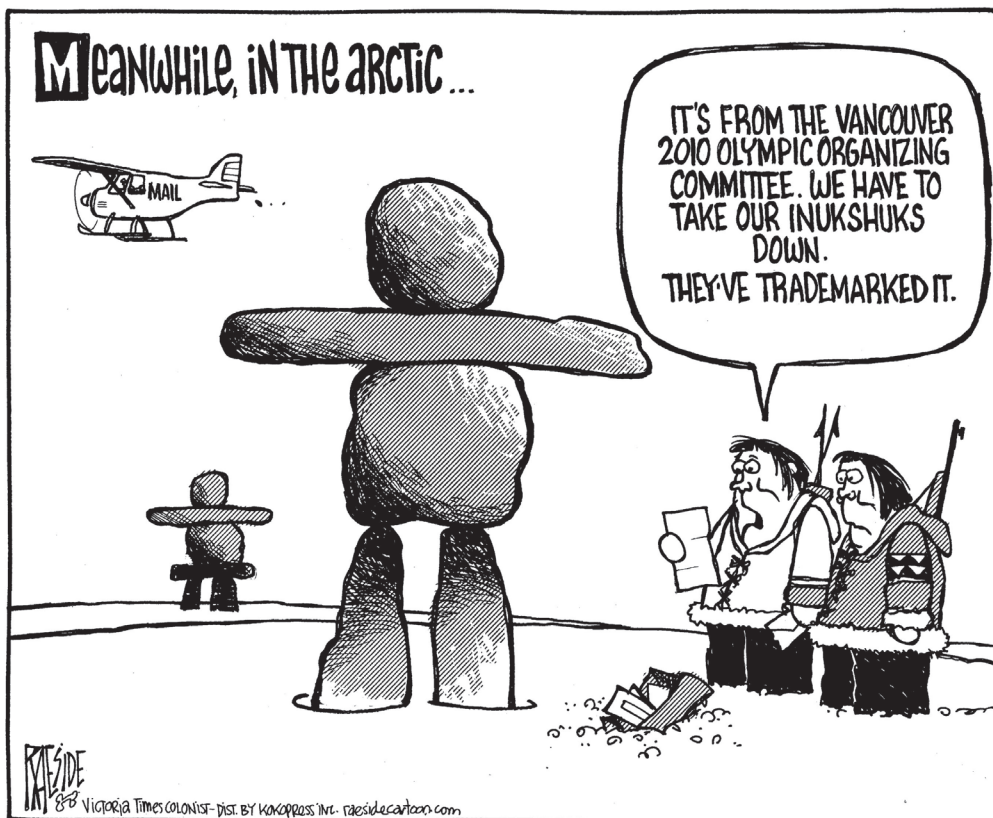
Ditto for the new "Canada Line" rapid transit connector, formerly known as the Richmond to Vancouver (RAV) Line. This \$1.9 billion project is again cost shared. Although not designated as an Olympic project, it is highly unlikely the project would have been approved if Vancouver didn't win the 2010 bid.

Other big ticket items like junkets to Turin and Beijing for bureaucrats, organizers, politicians (and their spouses) are not included in Olympic budgets. Nor is marketing or warm and fuzzy "Spirit of 2010" advertising campaigns and sponsorships. Trying to get a complete budget picture is nearly impossible.

Open Up the Books

Transparency and accountability have been shut out of the Olympic Games. The provin-

cial government that promised to be the most "open, accountable and democratic in Canada," has steadfastly refused the CTF's demand for an Olympic Transparency Plan to track *all* costs to taxpayers for the sixteen day event. Although taxpayers in the province of British Columbia are the sole financial guarantor of the Games, the Olympic Organizing Committee (VANOC) does not report





to the legislature on its financial status. VANOC is also – wrongly -- exempt from Freedom of Information (FOI) laws and is not deemed a government agency.

Alarm bells are already ringing: In 2005 VANOC announced, “The cost of construction has gone up by 40 per cent since we presented our bid to host the Olympics in 2002.” The provincial government responded by noting VANOC has a contingency fund for the Games and should be able to absorb the increase. However, the \$139 million fund was harshly criticized by the auditor general as insufficient and would not mitigate against: cost overruns, revenue shortfalls, inflation, foreign exchange risks, in-

2010 Sport Venues		
Venue	New Facility or Renovated	Budget (millions)
Curling	New	\$28.25
Figure Skating	Renovate	\$23.1
Skiing/ Snowboard	Renovate	\$10.8
Ice Hockey 1	Renovate	\$5
Ice Hockey 2	New	\$40.8
Olympic Oval	New	\$128
Alpine/ Slalom	Renovate	\$23
Biathlon, etc	New	\$102
Luge, etc	New	\$55
**Several other venues have not disclosed their budgets.		

demnities, security risks and of course “scope creep.”

Enhancing transparency will go along way to improving public disclosure and accountability.

Let the Games Begin!

Hosting the world does engender national pride. It does bring world focus to a country, to a province and a city. It can certainly have economic spin-offs that provide long term benefit. However, there are also costs. And while no Olympic Games could operate without some level of government support, it is vital that host governments protect the interests of taxpayers through tough negotiating with the IOC, private sponsorships and investment, use of P3s, cost recovery and above all – transparency!■

VANOC attempts to copyright the year “2010”

In what can only be called the most bizarre court case in BC’s history, the organizing committee for the 2010 Olympics has taken a Prince George based eco tourism company to court over the use of the number “2010”

The Eco Tourism 2010 Society [claimant] and VANOC met in court on January 28 in Prince George to contest the use of the number 2010. The claimant had been unable to register the name of their company with the provincial registrar due an order by VANOC. VANOC had ordered the registrar not to allow any non-profits to register any name that included the number “2010”.

Judge K. D. Skilnick dismissed the

small claim and by default has not addressed the issue of the registrar of companies being di-



rected by VANOC to stop any name registrations incorporating the number “2010”.

By directing the registrar of companies VANOC has essentially copyrighted the year 2010.■

8th Annual Teddies:

Honouring the Best of the Worst in High Taxes and Government Waste



by Adam Taylor

Hollywood has its Oscars, and your Canadian Taxpayers Federation (CTF) has its Teddies. On March 1st, 2006, the 8th annual *Teddies* were handed out at a black-tie event in the nation's capital. In the spirit of the entertainment awards season, the CTF awards *Teddies* annually to a government, public office holder, civil servant, department or agency that most exemplifies government waste, overspending, over-taxation, excessive regulation, lack of accountability, or any combination of the five.

The *Teddies* are named after Ted Weath-

erill, a former senior public servant, who was terminated in 1999 for "expenses incurred by him ... incompatible with his position as Chairman of the Canada Labour Relations Board. Ted's most famous expense was a \$733.43 lunch for two in Paris.

Sadly, 2005 has been yet another blockbuster year for government waste. Abusing the public purse at any level of government is unacceptable, and your CTF's *Teddies* are an appropriate way to give the people who fleece Canadian taxpayers the recognition they so richly deserve.

8th Annual Teddies Federal Nominees!

1 Walk the Bar Tab. Nominated for: Worst Taxpayer Film of the Year

In a world where money is no object because other people are paying, taxis are free and there is always wine with dinner, Joe Volpe is right at home. For a time things were great for Joe. Staffers called Volpe a “grazer” because of his penchant for eating several taxpayer-funded restaurant meals a day. On March 21, 2005, Volpe and friends dined at Allegro to the tune of \$507.39. Just a few hours later they ate again at an Italian restaurant for \$80.14. Volpe also spent \$138 on pizza for two one night and \$207 a few nights later on pizza for three. In just a few short months Volpe and his staff racked up more than \$60,000 in travel and hospitality. But Joe’s wild ride takes a sudden turn at the film’s end when the gravy train is halted in the station by angry taxpayers in January 2006.

The reviews are in: “Small town cheap.” — Justice John Gomery

2 From the Producers of the Sponsorship Scandal comes CRASH: The Never-ending Sequel. Nominated for: Worst Remake of a Botched Taxpayer Horror Film

The opening scene has Public Works buying a building in the west end of Ottawa for \$91-million in 2003 that it knew needed to be brought up to code. No problem. Public Works taps the federal treasury for another \$81-million. But wait, the film reveals that the building is part of

the Desmarais family business, whose son is married to former Prime Minister-Jean Chrétien’s daughter. Hmmm.

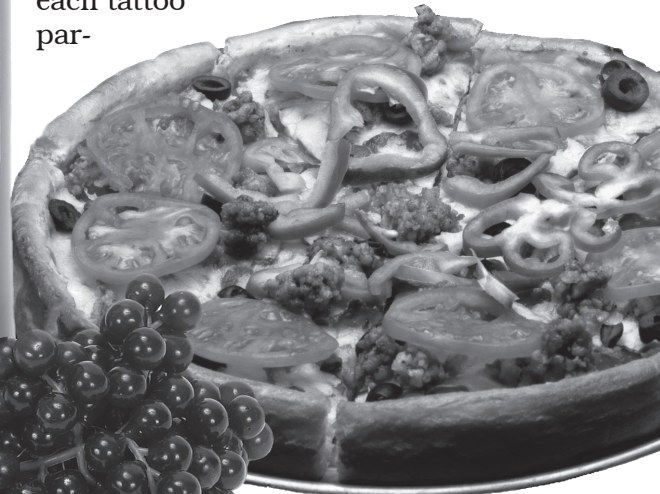
As Marlon Brando exits his cameo, Public Works is back at it again in June 2005 cutting rent cheques of \$575,000 for an empty building and no paper work. This time however, the building is owned by Liberal Senator Paul Massicotte. While viewers are led to believe Senators are prohibited from government contracts the movie reveals that law was repealed only one month earlier. Hmmm.

The final Act has Public Works spending a cool billion dollars for a relocation contract for civil servants across Canada. The contract is awarded to Royal LePage. But an audit reveals that a senior official in the judging process went on a Caribbean cruise with a Royal LePage executive before the contract was awarded. Movie-goers are left wondering if this is just a coincidence.

3 Charlie and the Tattoo Factory. Nominated for: Worst Adaptation of an Extreme Makeover

The setting is Manitoba’s Rockwood Institution, a minimum-security prison that was one of six across Canada chosen to open a tattoo parlour as part of a \$700,000 pilot project. Evidently Canada’s jails are increasingly run by their prisoners as each tattoo par-

So how in the world do you spend \$138 on a pizza for two?



8th Annual Teddies

lour will be manned by inmates. One impressive scene has prison guards dancing with thieves and murderers as they line up to receive their taxpayer funded 'Mom' tattoos.

Meanwhile, victims groups are outraged, labelling the film "lunacy," and giving it two big thumbs down noting that tax dollars are not available to provide psychological counselling to victims. Despite the criticism, producers



are already talking sequel: Rockwood Un-Redemption.

Federal Award Winner:

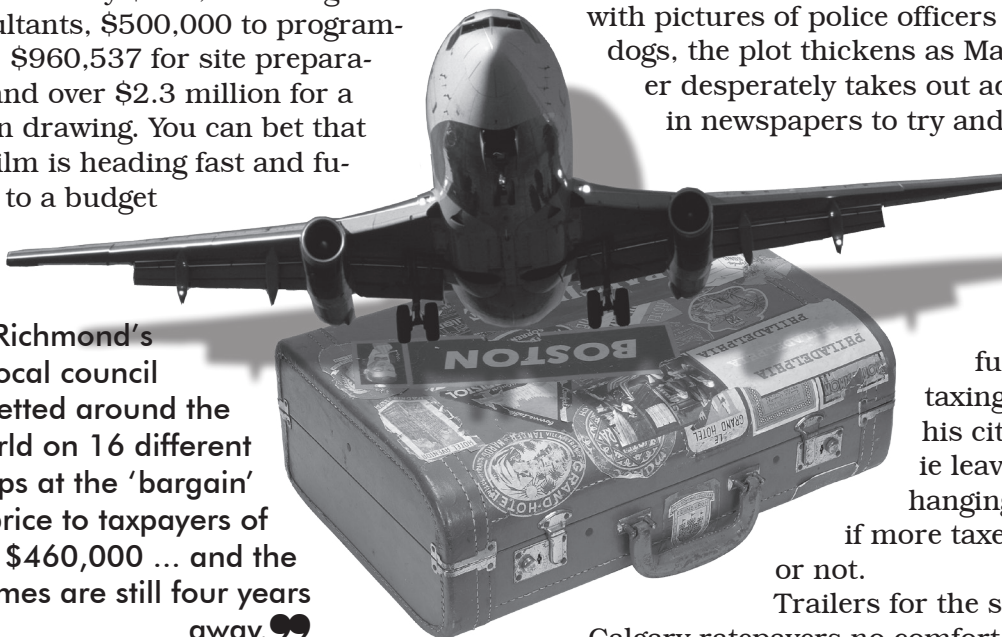
And the federal Teddy goes to Joe Volpe, MP for Eglinton Lawrence. Special thanks to all the supporting actors, including pizza delivery boys, limo-drivers, and former ministerial staffers, many of whom won't be eating taxpayer-funded pizza pies, spaghetti dinners and Italian wine for quite some time.

Municipal Nominees!

1 The Chronicles of Richmond: the Olympics, the Oval and Taxpayers. Nominated for: Achievement in Budget Blowout and Political Junket Innovation

The reviews are in and taxpayers in Richmond are in utter shock. After winning the bid to build the 2010 Olympic speed skating oval, Richmond's local council has jetted around the world on 16 different trips at the "bargain" price to taxpayers of \$460,000! But the spending doesn't stop there. Construction has yet to begin on the \$178 million facility and already \$325,000 has gone to consultants, \$500,000 to programming, \$960,537 for site preparation and over \$2.3 million for a design drawing. You can bet that this film is heading fast and furious to a budget

“Richmond's local council has jetted around the world on 16 different trips at the 'bargain' price to taxpayers of \$460,000 ... and the Games are still four years away.”



blowout. Sixteen taxpayer funded trips and the Games are still four years away.

2 Brokeback Calgary. Nominated for: Worst adaptation of a PR campaign

Calgary Mayor Dave Bronconnier's "Righting the Balance" campaign sets out to convince Calgarians that the city is flat-broke. Nonetheless, the Mayor finds \$100,000 under his seat cushions to pay for a glitzy advertising campaign to explain to citizens how they are grossly under-taxed. In addition to mailing out a glossy, full-colour householder lined with pictures of police officers and puppy dogs, the plot thickens as Mayor Bronconnier desperately takes out ads on radio and in newspapers to try and get the province to give

more tax room, more provincial funds, and more

taxing authority to his city. The movie leaves Calgarians hanging, not knowing if more taxes are coming

or not.

Trailers for the sequel provide Calgary ratepayers no comfort. Highlights

show Mayor Bronconnier sending yet another full-colour householder arriving in mailbox-es across the city this time lined with pictures of His Worship hob-knobbing with premiers, former presidents, and pot-smoking country musicians. Movie critics ask where the broke city was able to find \$82,000 for yet another mailer?

3 Welfare Country (North) . Nominated for: Best Post-Production Party with Extras

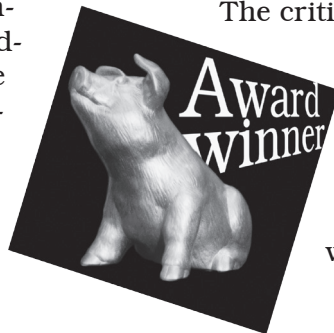
The City of Toronto, for throwing a \$50,000 party for its welfare case workers at Roy Thompson Hall. In this tragedy, the city wants to "honour" its workers – but instead it gives taxpayers a slap in the face. Not to mention welfare recipients, who certainly can't afford an evening out at the swanky venue. And this from a city that complains it can't afford the download-ed costs of social programs? The film concludes with Toronto Mayor David Miller asking the province for yet another multi-million dollar budget bailout, while irate taxpayers count down the days to the next municipal elec-

tion.

4 Phantom of the Arts Budget. Nominated for: Achievement in Theatrical Misdirection

This sad tale begins with the City of Winnipeg handing out \$220,000 in bailout packages for the Burton Cummings and Pantag-es Theatres. 'Guess Who's' money they used? Shortly after smiling for the cameras, the city realizes it doesn't have money for road repairs leaving prospective theatre-goers left wondering how they'll make it to opening night.

In the closing credits, as the city's roads are crumbling, instead of 'Running Back to Saskatoon', the City of Winnipeg will be running back to Mr. and Mrs. John Q. Taxpayer. The critics all agree: "two-thumbs down."



Municipal Award Winner:

"And the municipal Teddy goes to the City of Richmond ... If they handed out medals for wasting tax dollars, Richmond's city council would sweep the podium.

Lifetime Achievement Teddy!

The Academy of Taxers and Spenders is pleased to present its Lifetime Achievement Teddy to David Dingwall. Mr. Dingwall has relied on a steady dose of tax dollars for most of his career. First elected to the House of Commons in 1980, Mr. Dingwall held various cabinet portfolios under Jean Chrétien, including Minister for the Atlantic Canada Opportunities Agency (ACOA) and Public Works. His constituents elected

him leading actor three more times but finally sent him packing in 1997. But that only whet his appetite for taxpayers' money even more.

After his defeat, Mr. Dingwall remained an Ottawa insider as a lobbyist. One of Jean Chrétien's last acts as Prime Minister was to give his loyal friend a five-year appointment

as President of the Royal Canadian Mint. Not only did this put Mr. Dingwall in charge of printing money, it seemed to give him a license to spend it as well. And at that, he was a natural.

BUSINESS VANCOUVER

Teddies attempt to instil sense of accountability in halls of power

Thumbs Down: To the recipients of this year's Canadian Taxpayers Federation Teddies Waste Awards. They include the likes of Liberal MP Joe Volpe, who the CTF reports excels at dining out on the public dime.



8th Annual Teddies

Records show that in 2004, Mr. Dingwall and his top associates racked up \$846,464 in expenses for wining and dining, travelling the globe, limousine rides, and country club memberships. Some of the gems included:

- \$133,037 in foreign and domestic travel;
- \$14,487 in foreign and domestic dining (which included a Mint-staff dinner at a swanky Ottawa restaurant that cost \$5,693);
- \$5,297 for golf membership fees; and
- \$5,998 for leased vehicles (including limousine services) despite having a car available for use from the Royal Canadian Mint.

As head of the Mint, David Dingwall was paid a paltry \$277,000 a year – a salary that less than 1 percent of Canadians earn. No wonder public outrage followed when it was revealed that he still had the audacity to claim \$1.09 for a newspaper, \$1.79 for a bottle of water, \$1.29 for a package of gum, and \$6.04 for four Tim Horton's coffees and a donut.

Surely, Mr. Dingwall's disposable income provides him with the resources to pay for his own Dentyne, double-doubles and crullers? Apparently not. Despite a \$20 per-diem to cover such incidents, Mr. Dingwall still attempted to have taxpayers foot the bill.

Mr. Dingwall also received \$350,000 for his supporting role in helping a Toronto-based pharmaceutical company secure \$17.2-million in financing and

grants through an Industry Canada Program, despite rules forbidding "success fees."

The blatant disregard for taxpayers' money finally caught up with Mr. Dingwall in September, 2005 when the allegations of ethical lapses and questionable spending forced him to resign as head of the Royal Canadian Mint, but to taxpayers' dismay, this horror story gets worse.

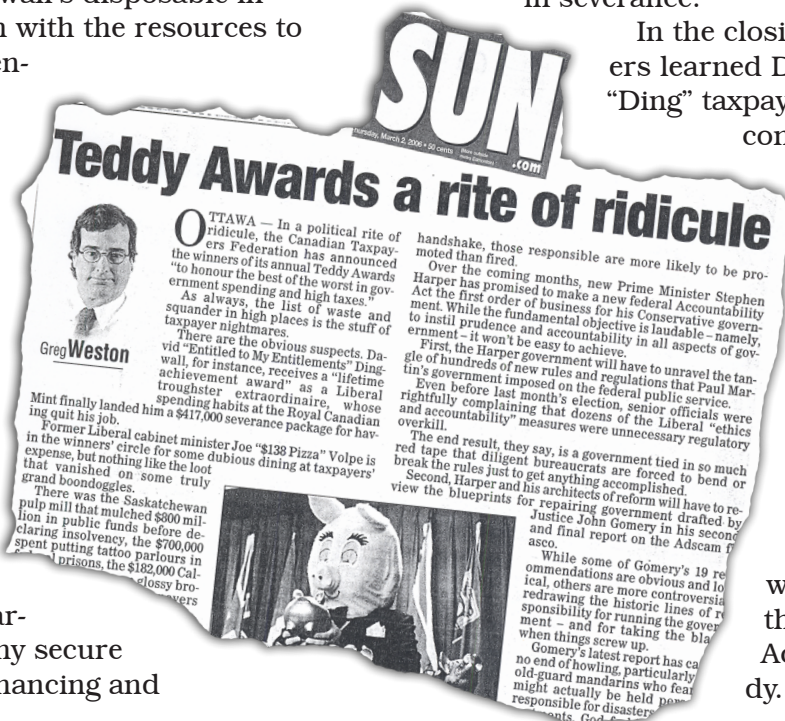
While no one in the real world gets severance if they quit their job, David Dingwall is apparently the exception. When questioned about his expenses at a House of Commons committee, Dingwall was asked whether he thought he should receive a severance. Mr. Dingwall uttered the now infamous, "I am entitled to my enti-

“David Dingwall will “Ding” taxpayers for years to come. His parliamentary pension is currently valued at over \$77,000 per year and will pay him \$1.9-million in lifetime benefits.”

tlements,” enraging taxpayers further. But as his last film ends Mr. Dingwall is laughing — in late January, 2006 he is awarded \$417,780 in severance.

In the closing credits, viewers learned David Dingwall will “Ding” taxpayers for years to come. His parliamentary pension is currently valued at over \$77,000 per year and will pay him \$1.9-million in lifetime benefits.

Yes, David Dingwall is truly a taxpayer's worst nightmare and a worthy recipient of this year's Lifetime Achievement Teddy. ■



April Fool's Story

The joke's on taxpayers on this anniversary of Ottawa's flagship corporate welfare program -- TPC --

which shelled out \$3-billion, but recouped a mere 5%.

Technology Partnerships Canada (TPC) was established April 1, 1996 – April Fool's Day – by the federal government to provide funding support to the private sector. It's been a joke ever since. The TPC program, now 10 years old, replaced the old Defense Industries Productivity Program (DIPP), which had funnelled \$2.15-billion in grants and contributions to aerospace and defence firms – including some of Canada's most successful and profitable companies – over 20-odd years. With less than one in four dollars repaid to the federal treasury, DIPP was labelled a failure. It wasted tax dollars on business subsidies and benefited companies with close ties to the government.

When Ottawa unveiled TPC in the 1996 budget, it proclaimed its new program would be better managed. It would ensure the repayment of tax dollars. This was no corporate welfare program: success would be measured in the program's cost recovery.

The public was even told by a succession of Liberal industry ministers that every dollar invested by TPC would return a buck fifty to two bucks to the federal government. This guarantee should have set off alarm bells. With a 50% or even 100% return on investment, why were private investors not lining up for a piece of the action? It is because Ot-

tawa's projections were a sham.

Since 1997, the Canadian Taxpayers Federation (CTF) has demanded Ottawa reveal the repayment records of TPC beneficiary companies. Ottawa's reply was always the same, "Trust us, your tax dollars are safe." There was little reason for such faith.

“The public was even told by a succession of Liberal industry ministers that every dollar invested by TPC would return a buck fifty to two bucks to the federal government. This guarantee should have set off alarm bells. With a 50% or even 100% return on investment, why were private investors not lining up for a piece of the action?”

Last summer, as reports and audits of abysmal returns became impossible to ignore, Industry Minister David Emerson (then a Liberal and now a Conservative) came clean. He pegged future TPC repayments at only 80 cents on the dollar. Instead of better management and rich returns, taxpayers were fleeced again.

A target of 80% remains wildly optimistic. Since 1996, TPC has approved more than \$3-billion in “contributions,” yet according to documents col-

Corporate welfare: TPC Unmasked

lected by the CTF, the repayment rate is a paltry 5%. The records of individual TPC recipients such as Pratt & Whitney, Bombardier, Rolls-Royce, Honeywell, Research in Motion, Bell Helicopter, IBM, SNC Lavalin, Western Star Trucks and Dupont – among many, many others – have remained unavailable to taxpayers.

That is, until recently, when new Minister of Industry Maxime Bernier unpeeled the cloak of secrecy. His office released documents showing specific TPC repayments from



by John
Williamson
Federal Director

these companies. The information can be found on the department's web site (www.ic.gc.ca) and is presented in three categories. A group of 42 companies have yet to submit any reimbursements; repayment records for 88 others total \$149-million; and another 78 companies repaid a total of \$7.4-million but refuse to make their exact repayments public. (It is hoped Ottawa will push the hold-outs to disclose these records.)

This represents an important step forward in government transparency and accountability. Mr. Bernier has done taxpayers a favour by finally making such information available. The new TPC data confirms what critics of Ottawa's corporate welfare program have been stating for years: These programs are a sinkhole for tax dollars.

Mr. Bernier's release, however, fell short in two important areas. The first was in not reporting how much individual companies received through the TPC program in the first place. And second, he failed to release the Industry Department's own repayment forecasts. Such data would permit Canadians to know how well – or poorly – industry officials estimate repayment revenue.

Figures collected through Access to Information and publicly available reports provide some insight. Not surprising, the estimates

Company Repayment Records (\$-millions)

Company	TPC Amount Approved	Total Repayments	Repayment (%)
Pratt & Whitney Canada	691.8	21.1	3.0
Bombardier	141.8	36.33	26.0
Honeywell	116.0	6.22	5.0
CAE Electronics	111.6	17.5	16.0
Cascade Data Services*	87.0	n/a	n/a
Rolls Royce	83.3	Zero	Zero
Shire (Biochem Pharma)	80.0	n/a	n/a
Voisey's Bay Nickel (Inco)	60.0	Zero	Zero
Sanofi Pasteur (Aventis)*	60.0	n/a	n/a
Mitel Networks	60.0	Zero	Zero
Goodrich Aerospace (Coltec)*	48.6	n/a	n/a
Research in Motion	39.6	9.09	23.0
IBM Canada*	33.0	n/a	n/a
iFIRE Technology	30.0	Zero	Zero
Aeterna Zentaris*	29.4	n/a	n/a
Ballard Power	29.4	9.23	31.0
Zenon Environmental	19.1	0.731	4.0

* Companies who have, to date, not authorized the release of repayment information.
Sources: ATIP & TPC News Releases.

Corporate welfare: TPC Unmasked

made by bureaucrats are nowhere near the actual numbers. Industry officials had pegged total TPC repayments at \$449.4-million at the end of fiscal 2004-05. Had the department hit its projections, it would have recouped 21% of total disbursements (which totalled \$2.1-billion at the time), a

of disbursements. So much for a better-managed TPC program.

These figures confirm what opponents of corporate welfare already know. Picking market winners and losers is not a job suited for government officials. Being close works well when tossing a hand grenade, but it is

nounced the TPC program would be shut down. The program's poor financial record and a brewing scandal over illegal commissions paid to lobbyists made it impossible to defend. Yet rather than exit the corporate welfare business, the old government said they would try again by creating another alphabet-soup subsidy fund

called the Transformative Technologies Program (TTP). The "new" fund was to be established on April 1, 2006. Amazingly, the program specifically states "its measure of success will not be cost recovery."

“A group of 42 companies have yet to submit any reimbursements; repayment records for 88 others total \$149-million; and another 78 companies repaid a total of \$7.4-million but refuse to make their exact repayments public. (It is hoped Ottawa will push the holdouts to disclose these records.)”

number on par with DIPP's appalling repayment levels. If only taxpayers had been so lucky. The actual amount collected was far less, ringing in at a measly \$110.3-million and 5%

no way to manage tax money.

TPC has not – and will not – achieve its objectives. Even the former Liberal government understood this. In September, 2005, Ottawa an-

The dismal records of TPC and DIPP did nothing to dissuade the Liberals from throwing good money after bad. Can taxpayers expect more of the same from the Conservatives? ■

TPC Repayment Records 1997 to 2005 (\$-million)

	97-98	98-99	99-00	00-01	01-02	02-03	03-04	04-05	Total
Original Forecast	1.13	6.53	12.88	22.82	47.92	79.07	120.91	158.13	449.39
Actual Repayment	0	13.13	2.90	4.00	7.65	16.42	27.99	38.20	110.29

Sources: ATIP & TPC News Releases.

Is change in store for

Whether it is a Canadian government sanctioned report or a United Nations' study, native Canadians living on Indian reserves are the most disadvantaged of all Canadian citizens. The newly minted Conservative government promised many things during the recent campaign. Although aboriginal policy was barely touched upon, the Canadian Taxpayers Federation (CTF) offers this examination of the Conservative's platform:

Aboriginal Policy?

The new Tory government must ensure targets and money spent are tied to measurable goals and/or achievements.

Private Property

“The Conservatives plan to support the development of individual property ownership on reserves, and to encourage lending for private housing and businesses.”

Your CTF applauds this pledge. Pride of ownership provides a powerful motivation for individuals to improve their property. It explains why homeowners are willing to spend their weekends fixing their houses and mowing their lawns.

The reason they do so is because the property is theirs and theirs alone.

Kelowna First Ministers Conference

In late November, the First Ministers gathered in Kelowna for a two-day aboriginal summit. At the end of their discussions a series of “plans for action” to eradicate poverty on Canada’s native reserves within the next 10 years was unveiled. To aid this pledge, the former government promised to spend an additional \$5.1 billion over the next five years. It’s a laudable goal, but one that will not likely succeed.

The Conservatives promised to move forward on the goal to eradicate poverty in 10 years; however, they did not promise to spend the additional \$5.1 billion because the money was not tied to any measurable goals or outcomes. Moreover, each plan for housing, healthcare or education adds to the bureaucracy of Indian affairs. None of these plans address the main flaw in the aboriginal affairs system – native reserves. This commitment not to spend more is a positive move for taxpayers.



by Tanis Fiss

Director of Policy Reform



POLICY REFORM DIVISION

They own it in “fee simple” – that is to say, outright.

For almost a decade, the CTF has urged the federal government to implement a system of private property ownership — on a pilot basis or otherwise — on native reserves as a way to reduce poverty. If native communities are to become economically self-sustaining, the reserve land which is now held in trust by the Crown should be transferred to individual natives who comprise a native community. It would then be up to natives themselves to decide if they want to transfer the land into a communal arrangement or allow for the property to be owned and managed individually.

The above CTF recommendation may take a decade or more to be implemented. In the meantime, native bands should make use of Certificates of Possession (COPs). When a band issues a COP, the landholder is deemed to have an interest in the property he inhabits. This interest may then be used to apply for mortgage financing, which is otherwise unavailable to reserve residents. In addition, land held under a COP can be subdivided, left to an heir or sold to another person having a right to reside on that reserve, certificate holders tend to assume the mindset and habits of a true property owner. Therefore, Certificates of Possession should be better utilized to promote pride of ownership and prosperity in native communities.

Settle Comprehensive Land Claims

“The Conservative government plans to pursue settlement of all outstanding ‘comprehensive claims’ within a clear framework

“All the negotiators, lawyers, consultants, researchers and analysts – from all sides – are paid for by the taxpayer. This funding relationship does not encourage or promote settlement. After all, why negotiate a settlement when the settlement results in the loss of your job?”

that balances the rights of aboriginal claimants with those of Canada.”

Comprehensive land claims are based on the assertion of continuing aboriginal rights and claims to land that have not been dealt with by treaty or other means.

The comprehensive or treaty process currently involves a tripartite negotiation table with representatives from the relevant provincial government, federal government and specific Indian band. All the negotiators, lawyers, consultants, researchers and analysts – from all sides – are paid for

by the taxpayer.

This funding relationship does not encourage or promote settlement. After all, why negotiate a settlement when the settlement results in the loss of your job? Furthermore, the current process has no deadline dates. Therefore, in some cases, negotiations for treaties have been on-going for several decades.

The new government needs to change this arrangement if they are ever going to settle all outstanding comprehensive claims. One simple change to the process would be to establish deadlines for when treaties are to be finalized. The federal government could set a timeframe of five years for the parties to reach a negotiated settlement. If a settlement is not reached after five years, the federal government could impose a final treaty.

There will be a few who would criticize the imposition of treaties. They would say imposed treaties would not adequately address the needs of Indians. But how is the current system of long drawn out negotiations – that see no end in sight anytime soon – help the people living in native communities? These people are left in a perpetual purgatory until negoti-

ations are finalized. Surely an imposed treaty would be better than continuing the current process.

Resolve Backlog of Specific Claims:

“The Conservatives plan to adopt measures to resolve the existing backlog of ‘specific’ claims so as to provide justice for aboriginal claimants, together with certainty for government, industry, and non-aboriginal Canadians.”

Specific claims arise from Canada’s breach or non-fulfillment of lawful obligations found in treaties, agreements or statutes (including the *Indian Act*).

The federal government, some 30 years ago, waived the statute of limitations on specific claims. Normally, Canadians are prohibited from taking a claim before the court after six years.

Hence why in January 2006, Ontario’s Superior Court ruled the government of Canada owed almost \$1.1 million to an Ontario native band for land it sold more than 100 years prior.

Clearly, the process of addressing alleged grievances needs to be substantially modified. Simply “fast-tracking” the process is not the answer.

Successive governments have provided benefits to native Canadians that were never contemplated in the treaties — benefits such as welfare, economic development, post-secondary education, pensions, tax exemptions, medicare, etc.

The new government should take these various benefits into account when they determine settlements for specific claims. Of course this is highly contentious.

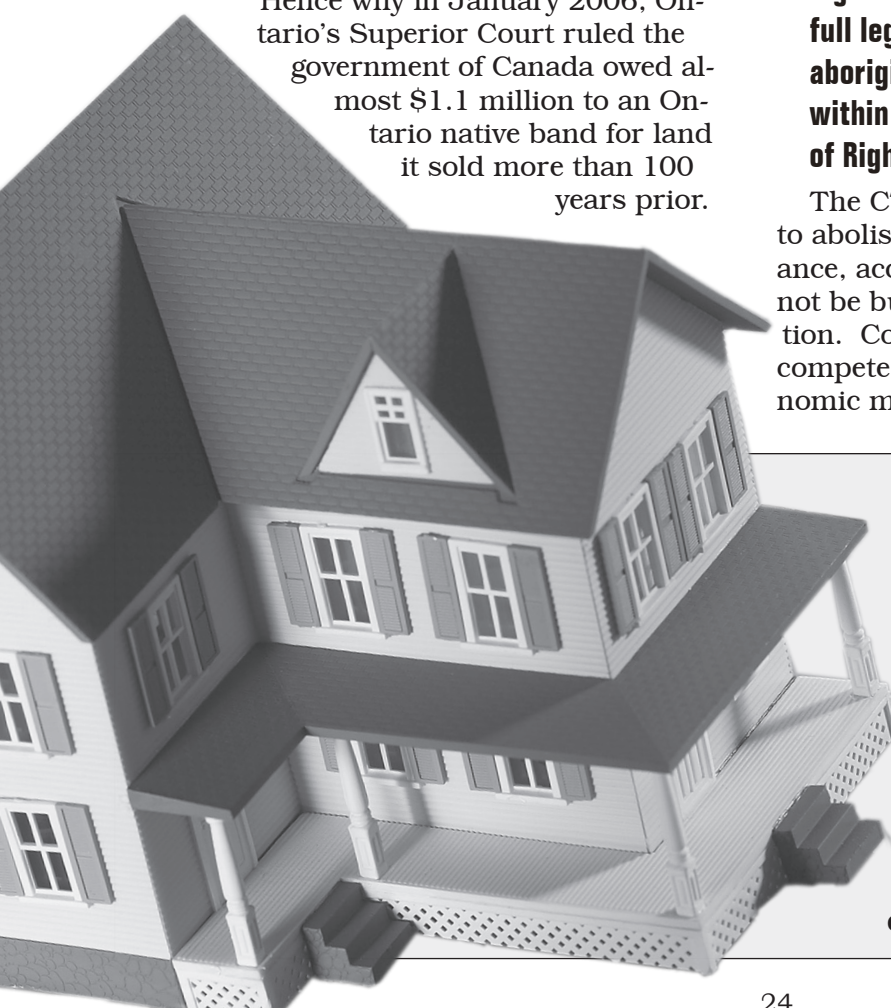
If specific claims are not adequately addressed there will never be finality in dealing with past grievances. Therefore, the backlog of “specific” claims will never cease to exist.

Legislative Changes

“Replace the Indian Act (and related legislation) to provide for the devolution of full legal and democratic responsibility to aboriginal Canadians for their own affairs within the Constitution, including the Charter of Rights and Freedoms.”

The CTF applauds the Conservatives plan to abolish the *Indian Act*. Good governance, accountability and transparency cannot be built on a foundation of faulty legislation. Consequently, for native communities to compete successfully within the Canadian economic mainstream, the *Indian Act* must be

“The Conservatives plan to support the development of individual property ownership on reserves ... Your CTF applauds this pledge. Pride of ownership provides a powerful motivation for individuals to improve their property. It explains why homeowners are willing to spend their weekends fixing their houses and mowing their lawns.”



phased out.

The CTF also applauds the Conservative plan to incorporate the *Human Rights Act*. This Act does not apply to status Indians who live on native reserves. As unbelievable as this may seem, section 67 of the *Human Rights Act* states, "Nothing in this Act affects any provisions of the *Indian Act* or any provision made under or pursuant to that Act." In other words, the *Indian Act* is the ultimate law that governs native reserves. Regrettably, the *Indian Act* is mute on the subject of human rights.

Abolishing the *Indian Act* and including aboriginal communities under the Charter of Rights and Freedom, will advance aboriginal Canadians to become Canadians of full-status.

Expedite Residential School Claims:

“Implement the House of Commons Standing Committee on Aboriginals Affairs recommendations for resolving Indian residential school claims to expedite the settlement of claims and save money.”

Listening to some media reports, one might conclude that every native Canadian attended residential school. In fact, less than one in six natives attended a residential school – or about 150,000. For example, in 1960 there were 40,637 natives enrolled in government schools across Canada. Only 9,109 were in residential schools compared with 22,049 in federal day schools and another 9,479 in regular, provincial public schools.

In 1998 the federal government delivered a statement of reconciliation and apology to those people who experienced sexual and/or physical abuse while attending residential schools. This apology paved the way for an



“One might conclude that every native Canadian attended residential school. In fact, less than one in six natives attended a residential school – or about 150,000.”

industry funded by taxpayers and fuelled by guilt.

Were Indian residential schools perfect? Of course not. But what was the alternative? Should the federal government not have provided education for aboriginal children?

If crimes were committed in the schools – and some were – the victims of the crimes have the same right as any other citizen to seek redress through the courts. The Conservatives should take steps to ensure compensation is only paid for legitimate claims – not out of guilt.

Recognize Aboriginal Veterans:

“Recognize the contribution of aboriginal veterans by implementing the resolution of the House of Commons to acknowledge the historic inequity of treatment and compensation for aboriginal war veterans.”

There are some aboriginal veterans who claim they did not receive the same level of compensation that non-aboriginal veterans have. The Conservatives must view these claims in a similar way as the previous analysis of the residential school policy; compensation should be paid for legitimate claims only.

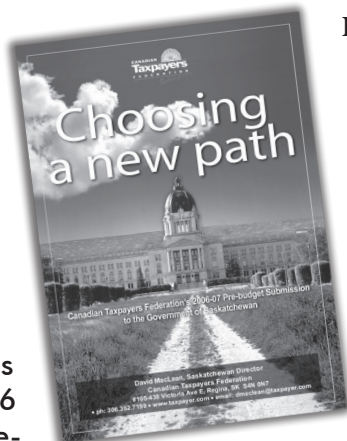
Conclusion:

The Conservative platform, if implemented, will go along way to eradicate poverty and increase prosperity within Canada's native communities. The new federal government has an opportunity to reform the system of aboriginal affairs. It is only through major reform that aboriginal poverty on reserves will be eradicated and opportunity born. ■

Around *the* CTF

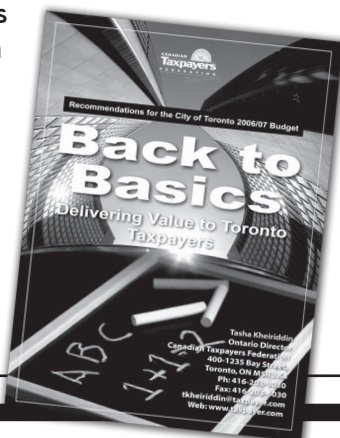
Each month CTF offices in five provinces and Ottawa handle hundreds of media interviews and inquiries, hold press conferences, publish reports, make presentations to government and issue regular news releases, commentaries and publications to advocate the common interest of taxpayers. CTF representatives also speak at functions and organize major campaigns nationally and in the provinces that lead to public policy change. The following highlights activities for the months of January, February, March and April 2006:

January



In his 2006 pre-budget submission, Saskatchewan director David MacLean calls on the government to lower school taxes and implement business tax reforms.

In her presentation to the City of Toronto, Ontario director —Tasha Khairiddin urges city politicians to cut back on cultural spending and focus on priorities.



FEDERAL: In the wake of the federal election campaign the CTF releases calculations showing 66 resigned or defeated MPs will be taking home \$77.5-million in cumulative pension benefits and another \$2.6-million in severance. Widely reported, the CTF is the only organization in Canada that calculates, releases and demands reform of MPs' gold-plated pensions.

BRITISH COLUMBIA: Pre-budget recommendations to Finance Minister Carole Taylor presented by CTF director Sara MacIntyre include legislated debt retirement, streamlining income tax, ending corporate welfare, transparent Olympic spending, and health care reform.

MANITOBA: After years of prodding, the CTF welcomes the province's adoption of Generally Accepted Accounting Prin-

ciples (GAAP). Director Adrienne Batra points out the public will finally have a complete picture of fiscal health including crown corporations.

February

FEDERAL: While praising Judge Gomery's first report, his second report detailing recommendations to prevent a future Sponsorship scandal, are labelled too narrow in scope by director John Williamson, who expresses disappointment by the absence of whistleblower protection, and stronger Freedom of Information laws. The Conservative Party's accountability platform provides far greater accountability reform.

BRITISH COLUMBIA: The CTF releases a comprehensive property tax report that shows residential property tax bills rising 7-67% in various regions of the province between 2001-2005. The CTF launches a petition in support of a property tax cap that would limit increases to the Consumer Price Index and provide predictability for municipalities and

Around *the* CTF

homeowners alike.

CAPC: The CTF responds to the auditor general's report on Nunavut, which reveals financial statements fully 2 years late – in breach of federal law – and \$17-million in errors. Nunavut, which spends \$1-billion each year employees 2,300 people and still uses manual record keeping.

BRITISH COLUMBIA: Calling it a "policy of particulars" the CTF reacts unfavourably to a budget that increases debt, spending and bureaucracy for every special interest in the province while leaving taxpayers behind. Director Sara MacIntyre calls on the government to get back to its roots that first got it elected in 2001.

ALBERTA: The CTF is contacted by Brian Clegg of Brantford, Ontario who is surprised to have received \$400 in Ralphbucks! Brian has never lived or worked in Alberta. Director Scott Hennig repeats the CTF's contention that permanent tax relief is a far better policy than spending \$10-million to administer one-time cheque distribution prone to errors.

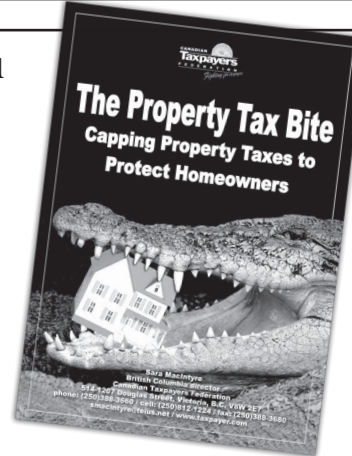
MANITOBA: Director Adrienne Batra presents pre-budget recommendations to finance minister Greg Selinger built on the pillars of

debt reduction and tax relief. In addition, the CTF calls for elimination of corporate welfare, bracket creep, meaningful health care reform, and liquor privatization.

SASKATCHEWAN: In its 2006 pre-budget submission the CTF calls for spending restraint, tax relief, an end to corporate welfare, and accountability reform. Specifically, Director David MacLean implores the government to move on recommendations of the Business Tax Review Committee and provide meaningful school tax relief for rural farmers.

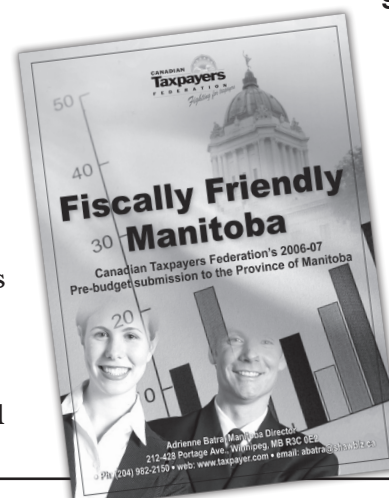
ONTARIO: Currently facing a \$415-million shortfall, the CTF proposes in its pre-budget recommendations to the City of Toronto to get focused on priorities of public safety and infrastructure instead of culture, beautification and out-of-control salaries. Director Tasha Kheiriddin demands a brake be put on tax increases.

ALBERTA: The CTF's pre-budget submission focuses on elimination of the health care premium tax and

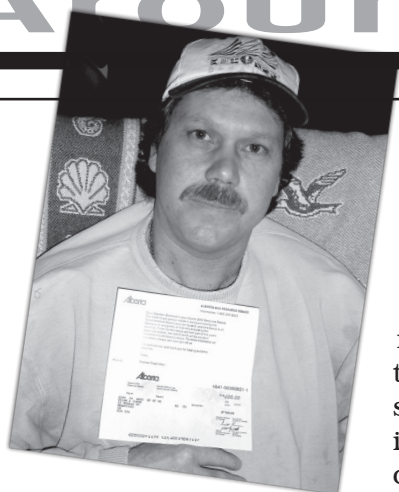


BC director Sara MacIntyre releases a study on property taxes calling on the government to institute a tax cap limiting increases to the CPI.

Manitoba director Adrienne Batra urges the provincial government to pay down its debt and lower taxes.



Around *the* CTF



Brian Clegg of Ontario
— who has never lived or worked in Alberta — is impressed with Ralph Klein's generosity.

the 3% insurance tax, putting \$1.1-billion back in the pockets of Albertans. In a meeting with Finance Minister Shirley McClellan, director Scott Hennig also emphasized control on spending natural resource revenues, a reduction in business taxes and health care reform.

March

ALBERTA: As part of stakeholder consultations, CTF director Scott Hennig meets with Health Minister Iris Evans urging elimination of health taxes, control of spending and private delivery alternatives.

NATIONAL: The CTF holds its 8th annual Teddy Waste Awards – a mock Oscar's ceremony honoring the best of the worst in high taxes and government waste. See full story page 14.

more than the mayors of Vancouver and Toronto when the impact of tax concessions are considered.

BRITISH COLUMBIA: The CTF joins the "Park the Tax Coalition" in opposition to the unelected "TransLink" imposing parking lot taxes in BC's Lower Mainland. A CTF petition campaign receives overwhelming response. Director Sara MacIntyre meets with Transportation Minister Kevin Falcon.

ALBERTA: The CTF responds to release of the 2006 provincial budget pointing out that the 10 per cent increase in core program spending is being financed by non-reliable, non-renewable resource revenues. However, director Scott Hennig also commends the government for accepting the CTF's recommendation to reduce business taxes.

CTF blasts the Saskatchewan government wasting \$445,000 to "promote" their latest budget.

The StarPhoenix Pricey budget promos

□ NDP blasted for spending \$445,000 on budget ads; nearly 10 times '05 amount

By James Wood
of The StarPhoenix

REGINA — The NDP government has launched a pricey propaganda operation for itself through a television, radio and print campaign touting the provincial budget, the Canadian Taxpayers Federation charged Tuesday.

The \$445,000 spent on the month-long campaign, which features television ads for the first time, is nearly 10 times more than the \$47,500 spent last year to advertise the budget highlights.

The year before that, the government spent \$66,871 on budget communications.

The CTF's David MacLean said the style of the TV ads — budget highlights mixed with smiling citizens' faces and a closing

ALBERTA: The CTF makes a submission to a City of Edmonton compensation review committee recommending transparent compensation through elimination of tax free salaries and benefits. Director Scott Hennig points out that Edmonton's mayor takes home

ONTARIO: A "tax and spend budget from a high taxing and high spending government" is how director John Williamson summarizes the McGuinty government's third budget. Since assuming office in 2003, income tax revenues are up 32% and corporate tax revenues up 48%; yet the province remains mired in deficit.

Around *the* CTF

April

FEDERAL: The CTF reacts favourably to the new Conservative government's first Speech from the Throne. Director John Williamson calls it concise and focused on key campaign commitments.

BRITISH COLUMBIA: The CTF responds angrily to two pieces of government legislation that choke transparency and accountability. New exemptions weaken the province's Freedom of Information law and changes to the Public Inquiry Act would allow the government to terminate a public inquiry or change its terms of reference without notice.

FEDERAL: While most of the federal government's *Accountability Act* earns praise from the CTF, director John Williamson holds a joint news conference with the Canadian Newspapers Association criticizing the government's removal of Access to Information reforms.

CAPC: Director Tanis Fiss responds favourably to inclusion of native bands in the *Accountability Act* which will for the first time allow the auditor general to audit money transferred to native bands.

ALBERTA: The CTF calls

CANADIAN
NEWSPAPER
ASSOCIATION



ASSOCIATION
CANADIENNE
DES JOURNAUX



Your CTF
and the
Canadian
Newspaper
Association

on the government to amend Bill 24 that increases the amount of resource revenues used for budgeting to \$5.3-billion. In 2003 the cap was \$3.5-billion. Director Scott Hennig points out that if resource revenues fell to just 2000 levels the province would be facing a deficit.

SASK: The CTF welcomes long overdue business tax reform in the province's 2006 budget, but director David MacLean raises alarm bells over government spending which now tops \$7.7-billion – an increase of 46% over just 7 years — at a time when the province's population is declining. The CTF also slams a \$445,000 ad campaign to promote the budget. ■

hold a joint press conference on Parliament Hill to condemn removal of Access to Information reforms as part of the *Accountability Act*.

Activity Report May and June 2006

Office	Media Interviews	Events/ Speeches/ Letters/Releases/ Reports/Meetings/Etc.
Ottawa**	300	27
BC	113	27
Alberta	106	33
Manitoba	81	28
Sask	58	18
CAPC/PRD*	52	14
Total	710	147

* Centre for Aboriginal Policy Change became part of Policy Reform Division (PRD) in June '06. **Ontario numbers included in Ottawa totals.

ICBC Needs a Public

Flogging

Once again, the government-run auto insurer monopoly—the Insurance Corporation of British Columbia (ICBC)—has demonstrated its flagrant arrogance. While hitting ratepayers with a premium increase of 6.5 per cent, their annual report reveals another round of obscene staff bonuses.

For the third year in a row, ICBC has posted a “profit” — the *de facto* benchmark for bureaucratic pilfering. Executives, managers and of course unionized workers milked drivers for \$12.8 million in ‘performance bonuses.’ Some quick number crunching reveals: 6.4 per cent of the monopoly’s profit was kicked back to employees, while drivers were slammed with a 6.5 per cent rate increase.

ICBC, nominated for this year’s provincial Teddy (the CTF’s annual waste awards), has a record of being wrong, but still handing out generous cash bonuses to employees. Last year, ICBC’s 4,430 unionized workers cleaned up with average bonuses of \$1,645, while its 852 managers raked in \$13,800 each.

The bonus figures dropped nominally this year with CEO Paul Taylor only getting \$60,184 and managers taking home a measly \$9,500. The unionized staff

“For the third year in a row, ICBC has posted a ‘profit’ — the *de facto* benchmark for bureaucratic pilfering. Executives, managers and of course unionized workers milked drivers for \$12.8 million in ‘performance bonuses.’”


mean-while was handed peanuts: a mere \$1,065 each. The monopoly notes the drastic drop in cash handouts is due to reduced profits and get this ... poor customer satisfaction!!

ICBC has extracted almost a billion dollars in profits over the past three years and is still trying to get more. Only a government monopoly could hit customers with a rate hike while posting record profits.

Ratepayers will no doubt recall that ICBC promised a rate freeze on basic auto insurance for this year. ICBC followed

that up by offering a substantial reduction for its *optional* insurance coverage. ICBC





cross-subsidizes its mandatory basic insurance profits to offer lower optional insurance rates and fails to provide statistical data — such as actuarial analysis of risk, accidents and the like — that is available in every other competitive insurance jurisdiction in North America.

The bottom line: it all adds up to ICBC using its might to shut



by **Sara MacIntyre**
British Columbia Director

out private competitors for optional insurance.

It's time to end the auto insurance monopoly in BC. Just as government has no business in the sale of booze, food or microwave ovens, it has no business in auto insurance. Your CTF has been leading the charge for auto insurance competition in

British Columbia with submissions to government and an ongoing petition available on our web site at www.taxpayer.com. ■

The Cost of Labour Peace

How many tax dollars does it take to get a union to the bargaining table? Finance Minister Carole Taylor would peg the figure to be in the range of about a billion. That's the figure she hung her hat on, offering government unions a chance to get this piece of trough if they signed a four year contract deal with the province before March 31, 2006. The result: a record number of labour deals in record timing. And it only cost taxpayers *a billion dollars* to get there.

But wait, that's only part of the picture. Half of the projected surpluses over the next five years are being doled out to government unions. When it's all said and done, unions are getting a \$1,200-3,500 bonus per employee [sound familiar?], wage increases in the range of 10-25 per cent, job security and oh, those nice hefty benefit packages. The union bosses tell us that it's about time they had a fair wage increase. Uh ... pardon?

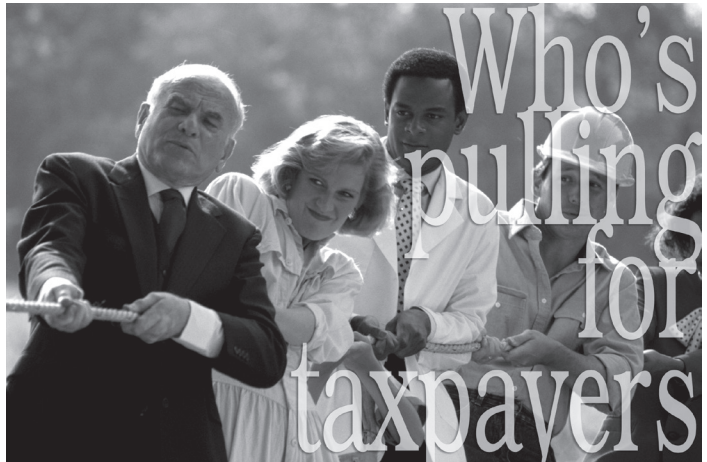
When was the last time Joe taxpayer received a thousand dollar bonus, or enjoyed guaranteed job security and wage increases for a four year period? It hasn't happened in the past decade-and-a-half.

Throughout the 1990s, the average real

after tax incomes of British Columbians declined by four percent; and between 2001 and 2005 real personal disposable incomes increased a mere one percent each year. Which means take home pay isn't increasing for the average British Columbian in large measure because our tax burden remains high to feed the salary increases of government unions, politicians and Crown corporations.

Most commentators congratulate the government for being able to successfully negoti-

“Half of the projected surpluses over the next five years are being doled out to government unions.”



ate so many union contracts, but no one is asking at what cost. Their “fair wage increase” could have been a “fair tax cut.” A billion dollar signing bonus -- the proverbial carrot -- is not a good precedent to set for labour peace, especially in British Columbia.

Thanks Carole Taylor, taxpayers can be assured that their income will remain stagnant. ■

We need health care reform in Alberta

CTF director
Scott Hennig
meets with
Alberta Health
Minister Iris
Evans

“However, it is Alberta who has been talking the talk over the last few years, yet has failed to walk the walk.”

With the cost of health care continuing to rise across Canada, taxpayers should be pleased that at least a few governments are starting to take health care reform seriously. Quebec has announced their intention to allow citizens to purchase private health care insurance for procedures like hip and knee replacements and cataract surgery. BC has also made statements in their most recent Throne Speech indicating they too are looking at options other than government-rationed care to address skyrocketing costs and long wait lists.

However, it is Alberta who has been talking the talk over the last few years, yet has failed to walk the walk. Alberta's big talk started in earnest in 2001 with the Mazankowski Report, which provided some suggestions for addressing choice and sustainability. However, the government continues to drag its feet and ignore key suggestions.



by **Scott Hennig**
Alberta Director

More recently, it appeared Alberta was prepared to take a few positive steps with release of its “Health Policy Framework.” This framework allowed doctors to work in both the public and private system, and allowed patients to purchase private health insurance for hip or knee replacements. The framework addressed Albertans’ fundamental right to spend their own after-tax dollars as they see fit.

When Health Minister Iris Evans announced she would be holding “stakeholder” meetings to get feedback, your CTF knew she would be inundated with naysayers and self-interested labour groups. That is why your CTF, representing the other side of the coin – taxpayers – demanded a stakeholder meeting with the minister.

Your CTF told the minister that taxpayers can no longer afford to see 10 per cent increases in spending year-after-year. Your CTF told the minister that health care pre-

miums need to be scrapped. Your CTF told the minister that Albertans are demanding choice and freedom to spend their own after-tax dollars on anything they want – including health care.

Unfortunately, the naysayers and the self-interested labour groups mounted a successful media campaign and scared the government caucus from moving ahead with

even these minor reforms.

Our current health care system is unsustainable and offers Albertans no choice but to wait for government-provided, government-rationed health care. Now it's up to you to call the minister at 780-427-3665 (toll-free by dialling 310-0000 first), and let her know that taxpayers want choice, flexibility and sustainability in our health care system.■

2006-07 Alberta budget

Short on good news, **LONG** on bad news for taxpayers

“I’ll be honest and say that I wish spending was lower.” – Alberta Finance Minister Shirley McClellan, 2006 Budget Speech.

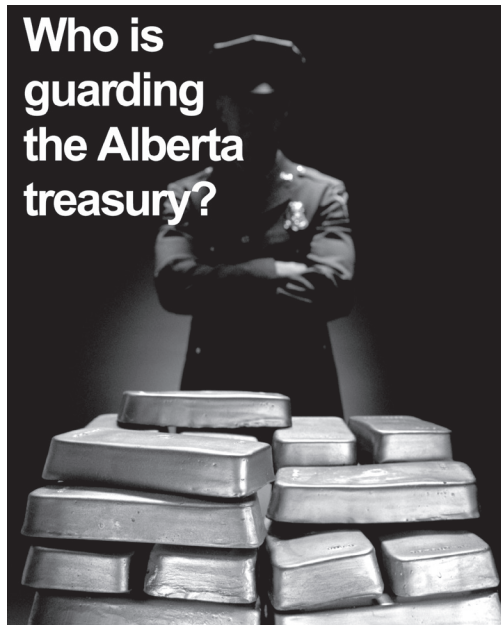
Well Mrs. Minister, allow us to be honest as well — we too wish spending was lower.

In fact, the 2006-07 budget increased spending by 10 per cent over last year’s budget, and gives huge increases to many ministries. Advanced Education is up 25 per cent, Children’s Services up 16 per cent, Economic Development up 12 per cent, Seniors and Community Supports up 12 per cent, and of course Health and Wellness is up yet another 10 per cent.

Unfortunately, the government funds these spending increases with one-time, non-renewable, non-reliable resource revenues — revenues that could dry up in a moment’s notice leaving a large deficit to deal with. Sound familiar? It should. Alberta already went through this mess once and it took years to clean up.

But while this out of control spending was the overwhelming bad news for taxpay-

Who is guarding the Alberta treasury?



“Bottom line: for every \$1 provided to taxpayers in tax relief, this budget increases spending this year by an additional \$7.”

ers, a few tax breaks offered some relief. The government partially followed through on one of the recommendations made by your CTF by lowering the corporate tax rate to 10 per cent. This is still a far cry from the 8 per cent they promised in 2001, but at least it’s moving in the right direction.

The government also took a baby-step towards elimination of health care premiums by moving the income threshold levels up by \$5,000. However, your CTF will continue to push for the full elimination of premiums for all Albertans.

Lastly, the government did offer taxpayers a small break by bumping the Basic Personal Exemption, which should translate into a savings of \$37.60 to most taxpayers. Again, a far cry from eliminating health care premiums or the 3 per cent tax on insurance, but at least it’s a move in the right direction.

Bottom line: for every \$1 provided to taxpayers in tax relief, this budget increases spending this year by an additional \$7.■

Population Woes: Who's to Blame?



The news that Saskatchewan lost nearly 4,000 people since the beginning of last year caused many people to sit up and pay attention. Population numbers have declined to levels not seen since 1982.

While our population declines, our politicians spend time inventing excuses rather than changing policies. At the very least, the latest statistics should provide cause for some deep government introspection.

Some politicians, like Pat Atkinson and Eric Cline, have the temerity to suggest that young people leave here so they can be closer to the mountains, the ocean, or live the "big city" lifestyle. This argument is, for lack of a better word, garbage.

The "big city" lifestyle our politicians think is so desired isn't found in places like Fort McMurray, Alberta. In the early '90s Fort McMurray's population was around 32,000. In 2006 that number is closer to 60,000 -- but nobody really knows for sure as



by **David MacLean**
Saskatchewan Director

the population has grown so quickly and many workers live in camps near the oil sand mines.

There is no "big city" nightlife in Fort McMurray and it's a white-knuckle 4.5 hour drive to Edmonton. The winters are cold with little daylight, and the summers are way too short.

What is it that draws thousands to that isolated northern community? Jobs, plain and simple. There are lots of them and they pay well, too. Which brings us back to Saskatchewan.

“When looking for reasons why people leave the province, they'd be well-advised to look inward.

Saskatchewan has the highest corporate income taxes in the country. In 2004, while other provinces were busy cutting taxes, this province hiked the PST.”

When looking for reasons why thousands leave Saskatchewan, its citizens would be well-advised to look inward.

Until recently, Saskatchewan had the highest corporate income taxes in the country. In 2004, while other provinces were busy cutting taxes, this province hiked the PST. Crown corporations have seeped into every corner of the economy, from television to home security. If businesses aren't competing against crowns, they're probably competing against subsidies.

Saskatchewan

Can anyone out there truthfully say this government is free of blame? The province needs to get with the program before it's too late. It

must stop making lame excuses about mountains, oceans and night clubs and instead adopt a pro-growth economic strategy.■

Saskatchewan's Big Budget

The 2006 budget has some good news, and lots of bad news. The good news is the government is following through on recommendations from the Business Tax Review Committee to provide much-needed tax relief. This is a clear victory for all taxpayers.

The Business Tax Review Committee told the government what your CTF has been telling them for at least a decade – that Saskatchewan's business tax regime is one of the worst in Canada. Now the government is finally acknowledging we were right all along.

They responded by phasing out the corporate capital tax and reducing taxes on both large and small businesses. The big question is 'What took them so long?' That said, the government is moving in the right direction and those of us arguing the case for years are vindicated.

The bad news is that the \$7.7 billion budget is the largest in Saskatchewan's history. Movie companies, Maple Leaf Foods and every other special interest group in the province have millions more.

Thing is, that

“At \$7.7 billion this is the largest budget in Saskatchewan's history.”

\$7.7 million is probably way off. Over the last five years the government has exceeded their budget by an average of ten per cent per year. All in, that means billions of tax dollars spent without so much as a vote in the legislature.■

\$445 thousand spent on post-budget advertising

The government broke the bank on budget day in more ways than one. In the days after the budget was announced, CTF supporters reported seeing warm and fuzzy prime-time television commercials promoting the budget. The spots feature a montage of smiling voters enjoying the benefits of the government's latest budget. The spot ends with Minister Thomson telling us all how he is looking after us.

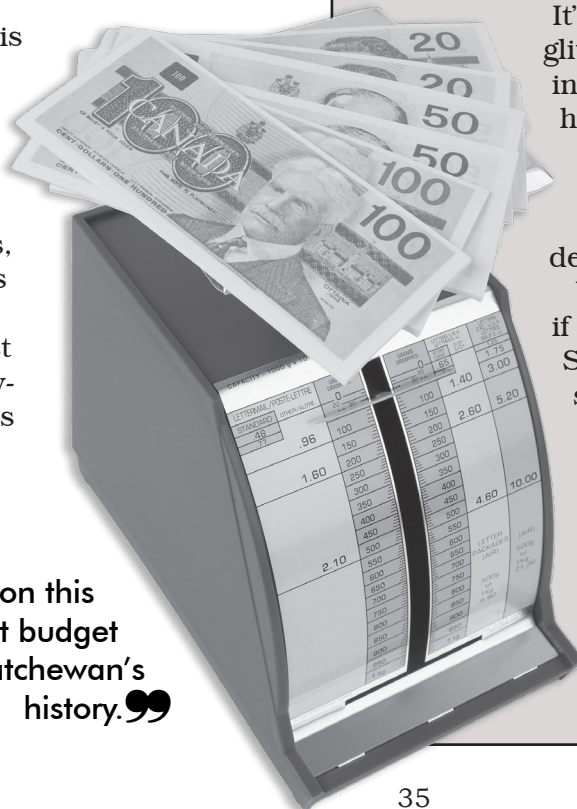
Information obtained by the CTF shows the government plans to spend \$445,000 on this television, print and radio campaign.

It's funny because there was no glitzy ad campaign when the province raised the PST in 2004 and hiked every user fee under the sun (remember the weenie roast tax?). Likewise, there were no ads proclaiming a \$483 million deficit in 2002.

You can bet your last dollar that if the roles were reversed and the Saskatchewan Party pulled the same stunt, the New Democratic Party would scream bloody murder.

When asked by the media why the minister was featured in the ad, Minister Thomson's response was "because it's my budget."

No, Minister. It's not *your* budget. It's *ours*!■



Manitoba Lazy Democracy?

"Governing by referendum is a major copout."

– Mayor Sam Katz in a post-debate scrum.

"This type of thing is so foreign to Canada and so anti-democratic, I don't know why anyone would support it."

–Councillor Jae Eadie.

These pearls of wisdom were shared during a council debate on whether Winnipeg should have a referendum on term-limits. A motion brought forward by Coun. Peter De Smedt, supported only by Coun. Russ Wyatt would have seen a vote, in conjunction with the next civic election in October, on limiting the number of

terms city councillors can run for office.

With all the vitriol shared by the 14 members of council who rejected the motion for a referendum, Coun. Eadie, who has been on council since the former Norrie Administration, gets top marks for his regurgitation of a quote by ex-Coun. George Fraser who quipped referendums are "lazy democracy." Coun. Eadie went on to denounce term limits as anti-democratic, suggesting limits restrict voter choice.

Lazy democracy is when we ask citizens to participate in their democracy once every four years at the ballot box to elect a councillor, but remain spectators the rest of the



by Adrienne Batra
Manitoba Director

time incapable of passing judgment on specific issues that affect their pocket book and community. What's lazy is to think citizens wouldn't carefully consider the merits of any proposal and check a

box for or against it.

As for the mayor's comment "governing by referendum is a major copout," perhaps he should be reminded Canada has a rich tradition of referendums on everything from giving women the right to vote to constitutional change.

Manitobans have voted on liquor-related issues (1892, 1902, 1916, 1923 (twice), and 1927) and the marketing of coarse grains (1952). In 1991 residents in the RM of Headingley supported a referendum question to secede from the City of Winnipeg.

Alberta has a citizens' initiative provision in its *Municipal Government Act* with stringent guidelines. Is Mayor Katz suggesting Alberta politicians are copping out of their responsibilities because citizens are allowed to propose referendums?

Regardless of one's personal feelings on term-limits, not allowing the citizens of Winnipeg to debate the issue is a pathetic endorsement of the status quo. No one complains about having too much democracy — the problem is we don't have enough. ■



Swiss citizens can use referenda to not only block bad laws, but also initiate their own legislation.

Most of the property tax relief offered up in the 2006 provincial budget will be eroded by school tax increases, just as your CTF warned in the last edition of *The Taxpayer*. This year, school division tax increases range from 3.4 percent in Winnipeg One to as high as 13.9 percent in St-James Assiniboia.

It's become a predictable formula for school tax increases in Manitoba: school divisions decry the lack of funding from the province; the province puts out an annual news release declaring what a great thing they have done by increasing school funding; school divisions increase taxes.

The political blame game leaves taxpayers paying for school divisions where superintendents earn exorbitant salaries (Jan Schubert in Winnipeg One earned \$171,029 last year), enrolment is declining, and services and programs have essentially remained the same.

School taxes are inherently unfair since value of property is not necessarily a reflection of wealth. A survey commissioned by the Manitoba Real Estate Association (MREA) released in November 2005 shows "more than 6 out of every 10 Manitobans (62%) agree that funding of Manitoba's public education system should come from the province's general revenues, rather than from property taxes." Lorne Weiss, spokesman for the MREA confirmed what the CTF has been saying for years: "... Manitobans no longer want the value of their property to determine if they can afford school taxes."

For their part, school boards have shown no willingness or ability to keep spending under control. So this begs the question... why do we need them? If the province were to pick up 100 percent of the funding tab, divisions would not need taxing authority. Perhaps this cumbersome layer of bureaucracy

School Boards....

Do we need them?

“School taxes are inherently unfair, since value of property is not necessarily a reflection of wealth.”

should be removed altogether and replaced by voluntary committees to oversee our schools.

The Minister of Education, who has been absent from the entire debate, needs to recognize that homeowners would be much better served by centralizing taxing and spending through the provincial tax base. As for students, they would be better off if issues like

curriculum were devolved to the local level, putting decision making and management power into the hands of parents, principals and educators.

Inaction on the school tax debate will only exacerbate the public's frustration. For a government that will likely be facing the electorate in a year, they might want to consider another strategy.■

On the rise Tax increases in Winnipeg School Division

	% Tax Increase	Average \$ increase
Winnipeg One:	3.35%	\$48.40
Seven Oaks:	5.95%	\$80.14
Pembina Trails:	5.5%	\$78.92
Seine River:	13.2%	\$179.39
St. James Assiniboia:	13.85%	\$161.62

Source: Winnipeg Free Press, March 16, 2006

Ontario

If you love high taxes and love Toronto, then you also loved Ontario's latest budget.

Since being elected in 2003, Premier Dalton McGuinty has delivered three budgets — each in deficit. He has broken key campaign commitments by raising taxes through a so-called health premium. This was the largest tax hike in Ontario's history — ramping up program spending by more than 20 per cent, and adding billions to Ontario's debt. Now the province pays \$9.4 billion a year (\$26 million a day) in interest on its \$147-billion debt.

To add insult to injury, the latest budget shows that not all regions of the province are created equal. Mr. McGuinty appears to have staked his re-election on the City of Toronto and the GTA, giving them a feast of new goodies, while the rest of Ontario is left to divvy up the crumbs and pay their tax bills.

At the end of the 2005 fiscal year, the government collected \$3-billion in unanticipated revenues. With a stroke of the pen the Liberals could have eliminated the \$1.4-billion annual deficit. Instead, Mayor David Miller's ever fiscally incompetent City of Toronto came out the big budget winner.

“While Mayor Miller would have preferred a cheque for \$400-million to cover Toronto's budget shortfall – most taxpayers call this a deficit – he instead received a \$200-million one time payment for ‘subway operations.’ This should keep the mayor happy for awhile because more money will permit him to again delay solving his city's spending problems, most notably escalating labour costs.”

While Mayor Miller would have preferred a cheque for \$400-million to cover Toronto's budget shortfall – most taxpayers call this a deficit – he instead received a \$200-million one time payment for “subway operations.” This should keep the mayor happy for awhile because more money will permit him to again delay solving his city's spending problems, most notably escalating labour costs.

A 1996 “sunshine” law made it mandatory for the disclosure of salaries over \$100,000. In just one year, the number of city employees in Toronto making \$100,000 or more per year increased by 45 per cent. As of April 1st (April Fools Day, ha-ha) the City of Toronto had 732 employees earning \$100,000 or more. Last year the number was 502.

Ontario Toronto V.i.s



Budget Tunnel Vision

At a time when the City of Toronto comes crying poor to Queen's Park with cap in hand, it is ludicrous that Mayor Miller's budget shortfall is based on appeasing special interests. The City of Toronto's *modus operandi* is all too familiar: Spend more money than it takes in, ramp up spending and taxes year over year, remain ideologically-opposed to exploring ways to reduce costs — like controlling wages — and demand handouts from other levels of government. The result? Another 3% property tax increase this year.

Toronto came out on top in other ways on budget day. Of the \$1.2-billion in new funding for public transit and infrastructure projects, \$838-million of it is dedicated for so-called "priority projects" in the GTA, the bulk of which is devoted to transit expansion in the York region. The rest of the province will share the remaining 30 per cent of the money.

With eyes squarely on re-election in 2007, the McGuinty Liberals are focused on the Toronto urban vote. This is evident given the boost of money to the GTA, while the agriculture budget is slashed by \$215-million — roughly the same amount given to Toronto for yet another bailout.

Taxpayers deserve better. Instead, the premier ignores real problems such as balancing the books and a weakening economy while using the province's finances for electioneering.

The Ontario Liberals should take note of what their federal cousins recently learned. When political parties focus exclusively on maintaining power and ignore the priorities of citizens, voters become cynical and opt for change. The provincial opposition should also take note of this and offer solutions to Ontario's escalating fiscal problems. It's common sense, really. ■

Provincial funding for selected jurisdictions from the Ontario 2006-07 budget

City of Toronto & York Region	\$677,000,000
Brampton	\$95,000,000
Mississauga	\$65,000,000
Scarborough	\$1,000,000
Total:	\$838,000,000

Notes: Of \$1.2-billion announced in public transit funding \$838-million or 70 per cent was dedicated to the City of Toronto,

New Low Long Distance Rates

Your CTF is pleased to announce new lower long distance rates. Effective April 20, 2006, CTF supporters are able to phone anywhere, anytime in Canada and the US for just 4.5 cents a minute. In addition, we are pleased to announce that CTF supporters are also able to phone each other for just 2.5 cents a minute, provided both have signed up for the CTF's long distance rate package. Call 1-877-518-4283 to take advantage of this great offer.

Long distance telephone rates:



2.5¢

a minute for
supporter to
supporter
calls.

4.5¢

A minute anytime, anywhere
in Canada or the US

The CTF has partnered with West Can Telecommunications to provide this great long distance package for current supporters.

- ☞ Billing by the minute
- ☞ Low international long distance rates
- ☞ Low rates on toll-free services
- ☞ Conference calling

Call today to get in on this great deal:

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